

PARTNERING TO MAKE BUDGETS WORK FOR THE PEOPLE

Caritas Zambia

Caritas Zambia (Caritas) is a faith-based civil society organization that seeks to foster the political, economic, and social development of Zambia, while specifically targeting the most poor and marginalized of its citizens. Based in Lusaka, the institution was founded in 2001 when the Catholic Commission for Justice and Peace and the Catholic Commission for Development were incorporated into a single autonomous body, which was renamed Caritas Zambia in 2007.

While Caritas is still guided by the teachings of the Catholic Church, it works to improve outcomes for all of Zambian society through its four key program areas: the Institutional Development Programme (IDP); the Sustainable Livelihoods Programme (SLP); the Economic and Environmental Justice Programme (EEJP); and the Governance and Human Rights Programme (GHRP). Caritas has been a strong voice on budget-related issues for many years and is widely recognized as one of the leading organizations conducting budget analysis and advocacy in Zambia.

Caritas Zambia Pressures the Government to Use Resources for the Public Benefit

The EEJP predates the forming of Caritas and has been doing budget work for more than 15 years. EEJP staff members have consistently advocated for the government to increase public investment in social infrastructure. Continuing this work, Caritas recently submitted proposals to parliamentary committees and the Central Budget Office of the Ministry of Finance and National Planning to increase funding for key agricultural, educational, and healthcare programs.

While these efforts produced mixed results, there have been gradual increases in funding in some social sectors, especially education. Progress has also been made on taxation and revenue collection, processes historically plagued by inefficiencies. Caritas has long advocated for a more progressive tax system, as well as a more comprehensive poverty reduction strategy for the nation. In response to public pressure, the government raised the minimum tax threshold (the income level at which people must begin to pay taxes) in 2001 and introduced a more equitable tax code in 2004. When Caritas demanded that the government implement certain components of its Poverty Reduction Strategy Paper (PRSP), the government



Zambia
Open Budget Index 2010
Overall Score: 36
Government provides minimal information to the public on how it manages public resources

Availability of budget documents critical for effective public input:	
Pre-Budget Statement	Yes
Executive's Budget Proposal	Yes
Citizens Budget	No
Enacted Budget	Yes
In-Year Reports	No
Mid-Year Review	Yes
Year-End Report	Yes
Audit Report	Yes
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responded by adopting some of the suggested strategies into Zambia's 2002 budget.

Caritas has also made monitoring the extractive industries in Zambia a core part of its work. Increased demand for and extraction of minerals, particularly copper, has led to a boom in industry profits. Caritas has lobbied policymakers to ensure that mining for Zambia's copper is conducted in a responsible and environmentally sustainable way, and that all Zambians stand to benefit from the use of their country's natural resources. Caritas is part of the Extractive Industries Transparency Initiative (EITI), and also founded, and remains secretariat of, the Publish What You Pay (PWYP) Initiative in Zambia. Both coalitions aim to mobilize

civil society to promote transparency in the collection of royalties and taxes from extractive industries, and accountability in the way such revenues are spent.

Caritas first started campaigning for a "windfall profits" surtax on Zambian extractive industries in 2006. In 2008, the Zambian government finally started to apply the country's progressive tax regime to the extractives sector and passed the Mines and Minerals Development Act. This legislation increased the mineral royalty rate to 3 percent and allowed the Ministry of Mines and Minerals Development to enforce a "use it or lose it" principle with regard to exploration licenses. The government also set up a Revenue Resource Account – a special fund to be used for new social programs.

Unfortunately, many of the law's provisions have either been stalled or overturned at the request of a powerful mining lobby. According to studies done by Caritas, revenues collected from the taxation of the mining sector under the Act's tax provisions accounted for more than 70 percent of the government's export earnings and represented a significant source of funding for vital social programs. Caritas is pushing for the reintroduction of the windfall profits tax by making it a political issue. At conferences in Lusaka and in interviews on QFM Radio, Caritas staff members have called on the government to ensure that revenues from natural resource exploitation are used for the public benefit.

Caritas' work on public financial management has increased interest in budgeting among civil society organizations and the general public. The organization occasionally holds budget forums to disseminate information on current budget proposals and solicit opinions from citizens on what priorities they would like to see reflected in future budgets. Outreach to the community, in conjunction with a comprehensive public affairs campaign and media strategy, have raised both the awareness of the importance of using gains from natural resources for social development and the profile of Caritas as a leading advocate for lower-income Zambians.

Caritas' Participation in the Partnership Initiative

The Zambian Parliament has traditionally had very little oversight over the public budget. Formulating and implementing the budget is left almost exclusively to the Ministry of Finance and National Planning. This leaves few opportunities for members of parliament (MPs) to get involved, and even fewer opportunities for ordinary citizens and civil society organizations like Caritas to voice their opinions. Caritas seeks to make the government more responsive to social priorities by empowering the parliament to oversee the budgeting process. With the help of the Partnership Initiative, Caritas is working toward the enactment of a law to establish the legal framework for the budget process, while also encouraging MPs and various government ministries to include the media and civil society in their deliberations. By engaging a more active, accountable, and transparent parliament, Caritas hopes to redirect misallocated resources in the Zambian budget to better serve the needs of the poor.

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The IBP's Partnership Initiative is a collaborative effort that seeks to enhance the impact of civil society budget work in selected countries of Africa, Asia, and Latin America. The initiative strives to contribute to the development of sustainable institutions; to increase public access to timely, reliable, and useful information; to enhance the effective participation of civil society in policy and budget processes; and to establish a platform of good practices on which future generations of civil society can build.